



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012

(213) 974-1101

<http://cao.co.la.ca.us>

DAVID E. JANSSEN
Chief Administrative Officer

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March 21, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**AMENDMENT NO. 2 TO LEASE NO. 72674
SHERIFF DEPARTMENT
4900 SOUTH EASTERN AVENUE, COMMERCE
(FIRST DISTRICT) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Mayor to sign the attached Amendment No. 2 to Lease No. 72674 with ARI Commercial Properties, Inc. (Landlord) to extend the occupancy for an additional five years and expand the premises to 38,936 rentable square feet of office space located at 4900 South Eastern Avenue, Commerce, for use by the Sheriff's Department (Sheriff), at a maximum initial annual rental cost of \$1,063,221. The rental costs will be 100 percent net County cost.
2. Find that this Lease Amendment is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Class 1, Section r of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.
3. Approve the Lease Amendment and authorize the Chief Administrative Office (CAO) and the Sheriff to implement the Lease Amendment. The Lease Amendment will be effective upon approval by your Board.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this recommended action is to enter into a Lease Amendment which allows the Sheriff to continue operations at the subject facility for an additional five years and expand the premises by an additional 1,503 rentable square feet. The Sheriff has requested a lease extension which contains the right to cancel this lease anytime after two years. This structure allows the Sheriff to potentially relocate to a renovated Hall of Justice after April 1, 2008.

The Sheriff has occupied the subject facility since February 1994, after the Hall of Justice was vacated. The initial term of the lease was five years, and the original premises consisted of 25,140 rentable square feet (Original Premises) for the Sheriff's Internal Affairs and Risk Management units. In April 2000, the lease was renewed for an additional five years.

An additional 12,293 rentable square feet (Expansion Premises) was added to the Original Premises, in June 2002, pursuant to Amendment No. 1 to Lease 72674. The term for the Expansion Premises expires on June 26, 2007, and the term for the Original Premises expired on April 10, 2005. Occupancy of the Original Premises has continued on a month-to-month holdover basis. Pursuant to the proposed Lease Amendment, the term for the Original and Expansion Premises will be coterminous.

Due to recent growth in programs housed at this location, the Sheriff has been approved for an additional 7,918 square feet of space along with an additional 18 parking spaces. However, the subject building has available only 1,503 square feet of space. Pursuant to the proposed amendment, the 1,503 square feet of available space will be added to the premises along with five additional parking spaces, and referenced as Expansion Premises 2. CAO and Sheriff staff are working together to identify 6,415 square feet of space to fulfill the balance of the requirement in a suitable building in close proximity to the subject building.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Countywide Strategic Plan directs that we enhance the quality and productivity of the County workforce (Goal 2). The proposed Lease Amendment supports this goal by providing a quality and efficient work environment for the Sheriff's employees that is conducive to maximizing employee productivity. Compliance with the County's Strategic Asset Management Principles is further outlined in Attachment A.

FISCAL IMPACT/FINANCING

The maximum initial annual rental costs for this Lease Amendment will be \$1,063,221, which includes Base Rent of \$541,990, Operating Expense Rent of \$383,131, Tenant Improvement (TI) Reimbursement for Expansion Premises 1 of \$117,605 and TI Reimbursement for Expansion Premises 2 up to \$20,495.

4900 SOUTH EASTERN AVENUE, COMMERCE	EXISTING LEASE	PROPOSED AMENDMENT	CHANGE
Area (Square feet)			
Original Space	25,140	25,140	None.
Expansion Space 1	12,293	12,293	None.
Expansion Space 2	N/A	1,503	+1,503
Total	37,433	38,936	+1,503
Term			
Original Space	04/11/2000 – 04/10/2005; currently month-to-month	03/21/2006 – 03/20/2011	+ five years
Expansion Space 1	06/27/2002 - 06/26/2007	03/21/2006 – 03/20/2011	+ five years
Expansion Space 2	N/A	03/21/2006 – 03/20/2011	+ five years
Annual Base Rent	\$452,292 or \$12.08/sq. ft.	\$541,990 or \$13.92/sq. ft.	+ \$89,698
Annual Operating Expense Rent	\$297,384 or \$7.94/sq. ft.	\$383,131 or \$9.84/sq. ft.	+ \$85,747
Annual TI Reimbursements			
Original Space	N/A	N/A	N/A
Expansion Space 1	\$117,605	\$117,605 or \$3.02/sq. ft.*	None.
Expansion Space 2	N/A	\$20,495 or \$0.53/sq. ft.**	N/A
Parking	180 parking spaces	185 parking spaces	+five parking spaces
Cancellation	County may cancel after June 27, 2005 upon 180 days prior written notice.	County may cancel after April 1, 2008 upon 120 days prior written notice.	Cancelable after two years.
Rental Adjustment	Operating Expense Rent subject to annual CPI adjustment with a cap of four percent.	Operating Expense Rent subject to annual CPI adjustment with a cap of six percent.	-Two percent on Operating Expense Rent.

* The outstanding TI balance for expansion space 1 will be fully amortized over the next fifteen months at the current annual amount of \$117,605.

**\$37,575 represents the maximum amount of reimbursable TI funds available for Expansion Space 2. This amount equates to an additional \$20,496 per year or \$.53 per square foot per year in rent if the entire amount is expended and amortized over two years at the proposed rate of 8.5 percent.

Sufficient funding for the proposed Lease Amendment is included in the 2005-06 Rent Expense budget and will be billed back to the Sheriff. The Sheriff has sufficient funds in its 2005-06 operating budget to cover the projected lease costs. The rental cost for the Sheriff is 100 percent net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed Lease Amendment will allow the Sheriff to occupy 38,936 rentable square feet of office space and 185 parking spaces for its Advocacy, Equity Oversight, Internal Affairs, Internal Criminal Investigations, Office of Independent Review, Risk Management Bureau and Traffic Services Programs, and shall contain the following provisions:

- The term will commence upon approval by the Board of Supervisors and terminate five-years thereafter.
- The termination date for the original and expansion spaces shall be coterminous.
- All operating costs shall be the Landlord's responsibility, subject to reasonable and customary reimbursement by the County in the form of operating expense rent. After-hours HVAC services are payable by the County via lump sum at a rate of \$65 per hour, with a minimum of 2 hours.
- A cancellation provision allowing the County to cancel anytime after April 1, 2008, upon four months' advance notice by CAO letter.
- Operating expense rent shall adjust annually after the first year, subject to a cap of six percent.
- The outstanding tenant improvement reimbursements for Expansion Space 1 shall continue for the initial 15 months of the term of Amendment No. 2.
- A base TI allowance for Expansion Premises 2, in the amount \$4,509, is included in the rent.
- A reimbursable TI allowance, for Expansion Premises 2 in the amount of \$37,575, is payable via lump sum or monthly amortization payments over twenty four months at an amortization rate of eight and one-half percent, after substantial completion of the TI work.

The CAO Real Estate Division staff conducted a market survey within the project area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically. Based upon said survey, staff has established that the rental range for similar space is between \$20.40 and \$24.60 per square foot per year on a full-service gross basis. Thus, the annual rental rate of \$23.76 full-service gross for the proposed Lease Amendment represents a rate within the market range for the area. Attachment B shows County-owned or leased facilities in the Commerce area and that there are no suitable County-owned or leased facilities available for this requirement.

The construction and operational costs associated with a childcare facility at this location are not feasible for the Department.

LEGAL/NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT

The project is categorically exempt from CEQA pursuant to Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.

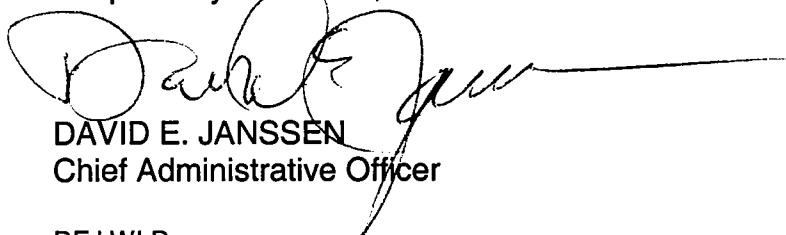
IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed Lease Amendment will provide the necessary office space for this County requirement. In accordance with your Board's policy on the housing of any County offices or activities, the Sheriff concurs in this lease recommendation.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return two originals of the executed Lease Amendment and the adopted, stamped Board letter, and two certified copies of the Minute Order to the CAO, Real Estate Division at 222 South Hill Street, Fourth Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,



DAVID E. JANSSEN
Chief Administrative Officer

DEJ:WLD
CEM:KW:hd

Attachments (2)
c: County Counsel
Sheriff's Department

SHERIFF DEPARTMENT
4900 EASTERN AVENUE, COMMERCE
Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>		Yes	No	N/A
	A	Does lease consolidate administrative functions? ²			X
	B	Does lease co-locate with other functions to better serve clients? ²	X		
	C	Does this lease centralize business support functions? ²			X
	D	Does this lease meet the guideline of 200 sq. ft of space per person? ²	X		
2.	<u>Capital</u>				
	A	Is this a long term County program?	X		
	B	Is it a substantial net County cost (NCC) program? 100% NCC	X		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
	D	If no, are there any suitable County-owned facilities available?		X	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			X
	F	Is Building Description Report attached as Attachment B?	X		
	G	Was build-to-suit or capital project considered? This requirement is slated to be relocated to the Hall of Justice after reconstruction is completed.	X		
3.	<u>Portfolio Management</u>				
	A	Did department utilize CAO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?	X		
	D	Why was this program not co-located?			
		1. <u>X</u> The program clientele requires a "stand alone" facility. (Investigations Unit)			
		2. ___ No suitable County occupied properties in project area.			
		3. <u>X</u> No County-owned facilities available for the project.			
		4. ___ Could not get City clearance or approval.			
		5. ___ The Program is being co-located.			
	E	Is lease a full service lease? ²	X		
	F	Has growth projection been considered in space request?	X		
	G	Has the Dept. of Public Works completed seismic review/approval?	X		
		¹ As approved by the Board of Supervisors 11/17/98			

²If not, why not?

SHERIFF DEPARTMENT
SPACE SEARCH - 5 MILE RADIUS FROM 4900 EASTERN AVENUE, COMMERCE

LACO	FACILITY NAME	ADDRESS	SQUARE GROSS	FEET NET	OWNERSHIP	SQUARE FEET AVAILABLE
	DPSS-CIVIC CENTER DISTRICT/GROW					
Y013	CENTER OFFICE	813 E 4TH PL, LOS ANGELES 90013	39956	25158	OWNED	NONE
A384	AG COMM/WTS & MEASURES- DOWNTOWN MARKET OFFICE	1320 E OLYMPIC BLVD, LOS ANGELES 90021	776	776	LEASED	NONE
5979	CENTRAL ARRAIGNMENT COURTHOUSE	429 BAUCHET ST, LOS ANGELES 90012	83692	30638	FINANCED	NONE
C863	MED CTR-PATIENT FINANCIAL SERVICES OFFICE	1910 N MAIN ST, LOS ANGELES 90031	13300	8919	LEASED	NONE
5260	CORONER-ADMINISTRATION / INVESTIGATIONS BLDG	1102 N MISSION RD, LOS ANGELES 90033	22479	14251	OWNED	NONE
6483	MED CTR-MASONRY SHOP OFFICE - BUILDING 100	1739 GRIFFIN AVE, LOS ANGELES 90031	1040	950	OWNED	NONE
5509	MED CTR-ANNEX 1/ MASONRY SHOP OFFICE	1200 N STATE ST, LOS ANGELES 90033	910	736	OWNED	NONE
5510	MED CTR-ANNEX 2/ VOLUNTEERS' OFFICE & STORAGE	1200 N STATE ST, LOS ANGELES 90033	910	831	OWNED	NONE
5699	MED CTR-CHAPLAIN'S CENTER MED CTR-CLINICAL RESEARCH	1200 N STATE ST, LOS ANGELES 90033	1940	1454	OWNED	NONE
T539	TRAILER MED CTR-EMERGENCY MEDICAL SVCS	1200 N STATE ST, LOS ANGELES 90033	780	672	OWNED	NONE
T620	TRAILER T-18 MED CTR-GARDENER'S	1200 N STATE ST, LOS ANGELES 90033	1200	1049	OWNED	NONE
0135	OFFICE/STORAGE BUILDING	1200 N STATE ST, LOS ANGELES 90033	612	530	OWNED	NONE
T541	MED CTR-HOME CARE TRAILER T-4 MED CTR-LOCAL WORKER HIRING	1200 N STATE ST, LOS ANGELES 90033	1376	1223	OWNED	NONE
T226	PROGRAM BLDG 304 MED CTR-OLD ADMINISTRATION	1200 N STATE ST, LOS ANGELES 90033	1440	1200	PERMIT	NONE
0808	BUILDING (UNUSED) MED CTR-PATIENT FINANCIAL	1100 N MISSION RD, LOS ANGELES 90033	18651	11430	OWNED	11430
T547	SERVICES T-15 MED CTR-PATIENT FINANCIAL	1240 N MISSION RD, LOS ANGELES 90033	2588	1967	OWNED	NONE
T555	SERVICES T-17 MED CTR-PATIENT FINANCIAL	1200 N STATE ST, LOS ANGELES 90033	4661	3482	OWNED	NONE
T542	SERVICES T-5 MED CTR-PATIENT FINANCIAL	1200 N STATE ST, LOS ANGELES 90033	10512	7872	OWNED	NONE
T556	SERVICES TRAILER MED CTR-PATIENT FINANCIAL	1200 N STATE ST, LOS ANGELES 90033	2973	2461	OWNED	NONE
T546	SRVICS OFFICE T-16 MED CTR-PERSONNEL OFFICE	1240 N MISSION RD, LOS ANGELES 90033	5190	4095	OWNED	NONE
0837	BUILDING MED CTR-QUALITY ASSURANCE	1200 N STATE ST, LOS ANGELES 90033	2980	1761	OWNED	NONE
0838	UTILIZATION REVIEW MED CTR-QUALITY	1200 N STATE ST, LOS ANGELES 90033	2980	2341	OWNED	NONE
T544	ASSURANCE/UTILIZATION REVIEW MED CTR-REPLACEMENT PROJECT	1200 N STATE ST, LOS ANGELES 90033	4334	3629	OWNED	NONE
T618	REAL ESTATE OFFIC MED CTR-RESEARCH COMMITTEE	1200 N STATE ST, LOS ANGELES 90033	944	785	OWNED	NONE
T619	OFFICE TRAILR T-25 MED CTR-RESEARCH COMMITTEE	1200 N STATE ST, LOS ANGELES 90033	820	702	OWNED	NONE
T543	TRAILER MED CTR-TRANSPORTATION	1200 N STATE ST, LOS ANGELES 90033	384	330	OWNED	NONE
6496	BUILDING	1830 GRIFFIN AVE, LOS ANGELES 90033	1050	940	OWNED	NONE
3100	EASTLAKE JUVENILE COURT-1 JUVENILE HALL-ADMINISTRATION	1601 EASTLAKE AVE, LOS ANGELES 90033	47379	26024	OWNED	NONE
3102	BUILDING-4 PW CENTRAL YARD-DIVISION	1605 EASTLAKE AVE, LOS ANGELES 90033	75907	33945	OWNED	NONE
4799	ADMINISTRATION PW CENTRAL YARD-SURVEY OFFICE	1525 ALCAZAR ST, LOS ANGELES 90033	10438	7224	OWNED	NONE
3374	(CLOSED)	1525 ALCAZAR ST, LOS ANGELES 90033	2219	1616	OWNED	1616

C110	MED CTR-EXPENDITURE MANAGEMENT	2064 MARENGO ST, LOS ANGELES 90033	9602	7010	LEASED	NONE
C111	MED CTR-EXPENDITURE MANAGEMENT ANNEX	1063 N CHICAGO ST, LOS ANGELES 90033	3338	1823	LEASED	NONE
4946	MED CTR-INTERNS & RESIDENTS BUILDING	2020 ZONAL AVE, LOS ANGELES 90033	142448	79494	OWNED	NONE
X294	PW CENTRAL YARD-SHOP OFFICE BLDG	2275 ALCAZAR ST, LOS ANGELES 90033	1400	1260	OWNED	NONE
1491	DHS-CREMATORY OFFICE/RESIDENCE	3301 E 1ST ST, LOS ANGELES 90063	1517	1106	OWNED	NONE
Y307	PUBLIC LIBRARY-CITY TERRACE LIBRARY	4025 E CITY TERRACE DR, EAST LOS ANGELES 90063	8007	6984	OWNED	NONE
4526	BISCAILUZ-ADMINISTRATION BUILDING	1060 N EASTERN AVE, LOS ANGELES 90063	16571	11428	OWNED	NONE
T532	BISCAILUZ-LIBRARY TRAILER (CLOSED)	1060 N EASTERN AVE, LOS ANGELES 90063	720	684	OWNED	NONE
4423	BISCAILUZ-MENTAL HEALTH RECOVERY CTR (CLOSED)	1060 N EASTERN AVE, LOS ANGELES 90063	6320	4620	OWNED	4620
T615	BISCAILUZ-TRAILER S (A UNIT) (CLOSED)	1060 N EASTERN AVE, LOS ANGELES 90063	2160	2059	OWNED	2059
4231	BISCAILUZ-TRAINING/INTELLIGENCE FACILITY	1060 N EASTERN AVE, LOS ANGELES 90063	1660	1372	OWNED	NONE
0953	BISCAILUZ-VISUAL AIDS WAREHOUSE (CLOSED)	1060 N EASTERN AVE, LOS ANGELES 90063	4393	3240	OWNED	NONE
Y321	BISCAILUZ-WEIGHTS & MEASUREMENT BLDG (CLOSED)	1060 N EASTERN AVE, LOS ANGELES 90063	1500	1366	OWNED	NONE
6131	DCSS-EAST LOS ANGELES SERVICE CENTER	133 N SUNOL DR, EAST LOS ANGELES 90063	28514	21777	OWNED	NONE
X707	PUBLIC LIBRARY-ANTHONY QUINN LIBRARY	3965 CESAR E CHAVEZ AVE, CITY TERRACE 90063	7275	6077	OWNED	NONE
A930	PUBLIC LIBRARY-EL CAMINO REAL LIBRARY	4264 E WHITTIER BLVD, EAST LOS ANGELES 90023	3280	2563	OWNED	NONE
X201	EDMUND D EDELMAN CHILDREN'S COURT	201 CENTRE PLAZA DR, MONTEREY PARK 91754	275530	181958	FINANCED	NONE
A423	SHERIFF-PERSONNEL AND RECRUITMENT CENTER	101 CENTRE PLAZA DR, MONTEREY PARK 91754	37590	33831	LEASED	NONE
3542	FIRE-ADMINISTRATIVE HEADQUARTERS BUILDING	1320 N EASTERN AVE, LOS ANGELES 90063-3294	39015	24288	FINANCED	NONE
X155	ISD-EASTERN AVE COMPLEX TELECOM BUTLER BLDG	1112 N EASTERN AVE, LOS ANGELES 90063	4960	4638	OWNED	NONE
5863	ISD-ADMINISTRATIVE HEADQUARTERS	1100 N EASTERN AVE, LOS ANGELES 90063	80309	58826	FINANCED	NONE
5870	ISD-EASTERN AVE COMPLEX TELECOM BRANCH BLDG	1110 N EASTERN AVE, LOS ANGELES 90063	37742	28973	FINANCED	NONE
T590	ISD-EASTERN AVE TELECOM CUSTOMER SERVICE BLDG	1110 N EASTERN AVE, LOS ANGELES 90063	1224	1016	GRATIS USE	NONE
T061	ISD-EASTERN COMPLEX PROJECT MANAGEMENT TRAILR	1100 N EASTERN AVE, LOS ANGELES 90063	7200	6840	LEASED	NONE
T039	SHERIFF-EASTERN COMPLEX FLEET SERVICES OFFICE	1104 N EASTERN AVE, LOS ANGELES 90063	1548	1428	OWNED	NONE
2130	PW ROAD-DIV #142 MAINTENANCE YARD OFFICE	4304 EUGENE ST, EAST LOS ANGELES 90022	397	227	OWNED	NONE
X167	SHERMAN BLOCK SHERIFF'S HEADQUARTERS BUILDING	4700 W RAMONA BLVD, MONTEREY PARK 91754	125000	106250	FINANCED	NONE
A015	DC&FS-CORPORATE PLACE MONTEREY PARK OFFICE	2525 CORPORATE PL, MONTEREY PARK 91754	29542	27820	LEASED	NONE
A324	FIRE-EMPLOYEE RELATIONS OFFICE CENTRO MARAVILLA SERVICE	1255 CORPORATE CENTER DR, MONTEREY PARK 91754	3079	2925	LEASED	NONE
Y135	CENTER-BLDG B	4716 CESAR E CHAVEZ AVE, EAST LOS ANGELES 90022	3612	1948	OWNED	NONE
Y136	CENTRO MARAVILLA SERVICE CENTER-BLDG C	4716 CESAR E CHAVEZ AVE, EAST LOS ANGELES 90022	4073	3112	OWNED	NONE
T509	PARKS & REC-PROPOSITION A FIELD OFFICE	4914 CESAR E CHAVEZ AVE, EAST LOS ANGELES 90022	540	424	OWNED	NONE
3241	EAST LOS ANGELES COURTHOUSE PROBATION-EAST LOS ANGELES AREA	214 S FETTERLY AVE, EAST LOS ANGELES 90022	126972	63347	FINANCED	NONE
4364	OFFICE	144 S FETTERLY AVE, EAST LOS ANGELES 90022	15584	11327	OWNED	NONE
5412	PUBLIC LIBRARY-OLD EAST LOS ANGELES LIBRARY	4801 E 3RD ST, EAST LOS ANGELES 90022	14848	11740	OWNED	NONE

A122	BOARD OF SUP-EAST LOS ANGELES FIELD OFFICE	5262 E BEVERLY BLVD, EAST LOS ANGELES 90022	2328	2095	LEASED	NONE
A029	PW-EAST LOS ANGELES DISTRICT OFFICE	5119 E BEVERLY BLVD, EAST LOS ANGELES 90022	3142	2358	LEASED	NONE
C740	DPSS-FLORENCE AP DISTRICT OFFICE	1740 E GAGE AVE, LOS ANGELES 90001	60000	28601	OWNED	NONE
C741	DPSS-FOOD STAMPS/ FISCAL SERVICES OFFICE	6367 S HOLMES AVE, LOS ANGELES 90001 1610 E FLORENCE AVE, LOS ANGELES 90001	5220	3872	OWNED	NONE
Y425	PUBLIC LIBRARY-FLORENCE LIBRARY	2855 E OLYMPIC BLVD, LOS ANGELES 90023	5124	4448	OWNED	NONE
6578	DPSS-METRO EAST AP DISTRICT OFFICE	6548 MILES AVE, HUNTINGTON PARK 90255	63066	29220	OWNED GROUND LEASE	NONE
3709	HUNTINGTON PARK COURTHOUSE	6548 MILES AVE, HUNTINGTON PARK 90255	29295	16325	LEASE GROUND LEASE	NONE
T409	HUNTINGTON PARK COURTHOUSE ANNEX	6518 MILES AVE, HUNTINGTON PARK 90255	4480	4000	LEASE	NONE
5466	PUBLIC LIBRARY-HUNTINGTON PARK LIBRARY	2958 E FLORENCE AVE, HUNTINGTON PARK 90255	33482	24243	OWNED	NONE
A153	DISTRICT ATTORNEY-HUNTINGTON PARK AREA OFFICE		5600	4760	LEASED	NONE
D030	PUBLIC LIBRARY-MAYWOOD CESAR CHAVEZ LIBRARY	4323 E SLAUSON AVE, MAYWOOD 90270	3362	2881	GRATIS USE	NONE
A190	PUBLIC LIBRARY-BELL LIBRARY	4411 E GAGE AVE, BELL 90201	4863	3515	LEASED	NONE
4465	DF KIRBY CENTER-ADMINISTRATION BUILDING	1500 S MCDONNELL AVE, COMMERCE 90022	18169	10117	OWNED	NONE
B460	DPSS-GAIN PROGRAM REGION VI OFFICE	5460 BANDINI BLVD, BELL 90201	31400	21815	LEASED	NONE
A133	CHILD SUPPORT SERVICES- ADMINISTRATIVE HDQTRS	5770 S EASTERN AVE, CITY OF COMMERCE 90040-2924	84477	63413	LEASED	NONE
A332	CHILD SUPPORT SERVICES- COMPUTER SYSTEMS DIV	5500 S EASTERN AVE, CITY OF COMMERCE 90040	48794	46354	LEASED	NONE
A570	CHILD SUPPORT SERVICES- INTERSTATE DIVISION	5701 S EASTERN AVE, CITY OF COMMERCE 90040	61130	55017	LEASED	NONE
A188	SHERIFF-INTERNAL AFFAIRS BUREAU/RISK MANAGEMT	4900 S EASTERN AVE, CITY OF COMMERCE 90040	112299	95457	LEASED	NONE
A157	DC&FS-REGION III HEADQTRS/ BELVEDERE SERVICES	5835 S EASTERN AVE, CITY OF COMMERCE 90040	38814	36873	LEASED	NONE
A580	FIRE-ADMINISTRATIVE HEADQUARTERS OFFICE ANNEX	5801 S EASTERN AVE, CITY OF COMMERCE 90040	28474	25627	LEASED	NONE
A069	FIRE-MAPPING & ENGINEERING SECTION OFFICE	5900 S EASTERN AVE BLDG #16 (3), CITY OF COMMERCE 90040	1720	1548	LEASED	NONE
5428	DPSS-BELVEDERE AP DISTRICT OFFICE	5445 E WHITTIER BLVD, EAST LOS ANGELES 90022	70493	49261	OWNED	NONE
A460	DHS-FERGUSON ADMINISTRATIVE SERVICES CENTER	5555 FERGUSON DR, CITY OF COMMERCE 90022	268400	246550	LEASED	NONE
A310	CHILD SUPPORT SERVICES- COLLECTIONS OFFICE	5895 RICKENBACKER RD, CITY OF COMMERCE 90040	11394	11394	LEASED	NONE
A823	FIRE-FIRE PREVENTION DIV/ FORESTRY DIV HDQTRS	5823 RICKENBACKER RD, CITY OF COMMERCE 90040	17710	15939	LEASED	NONE
A146	FIRE-HAZARDOUS MATERIALS DIVISION HEADQUARTRS	5825 RICKENBACKER RD, CITY OF COMMERCE 90040	16670	13737	LEASED	NONE
A446	FIRE-INFORMATION MANAGEMENT DIVISION OFFICES	5815 RICKENBACKER RD, CITY OF COMMERCE 90040	3722	3350	LEASED	NONE
A427	FIRE-MAPPING & ENGINEERING SECTION OFFICES	5847 RICKENBACKER RD, CITY OF COMMERCE 90040	7177	6100	LEASED	NONE
A183	SHERIFF-HOMICIDE BUREAU OFFICE BUILDING	5747 RICKENBACKER RD, CITY OF COMMERCE 90040	17460	14563	LEASED	NONE
B059	DISTRICT ATTORNEY-AUTO INSURANCE FRAUD UNIT	5901 E SLAUSON AVE, COMMERCE 90040	6840	6500	GRATIS USE	NONE
D090	PUBLIC LIBRARY-CHET HOLIFIELD LIBRARY	1060 S GREENWOOD AVE, MONTEBELLO 90640	5500	4601	LEASED	NONE
5395	PUBLIC LIBRARY-MONTEBELLO REGIONAL LIBRARY	1550 W BEVERLY BLVD, MONTEBELLO 90640	50530	23989	OWNED	NONE
F442	PW FLOOD-RIVERVIEW YARD OFFICE	603 RIVERVIEW RD, MONTEBELLO 90640	580	481	OWNED	NONE
F443	PW FLOOD-RIVERVIEW YARD OFFICE	603 RIVERVIEW RD, MONTEBELLO 90640	126	113	OWNED	NONE
4983	PUBLIC LIBRARY-PICO RIVERA LIBRARY	9001 MINES AVE, PICO RIVERA 90660	7700	6317	OWNED	NONE
B995	DAVID V KENYON JUVENILE JUSTICE CENTER	7625 S CENTRAL AVE, LOS ANGELES 90001	18108	11735	OWNED	NONE

Y264	PROBATION-KENYON JUSTICE CENTER OFFICE	7672 S CENTRAL AVE, LOS ANGELES 90001	4505	2190	OWNED	NONE
6400	DCSS-FLORENCE / FIRESTONE SERVICE CENTER	7807 S COMPTON AVE, LOS ANGELES 90001	15928	8706	OWNED	NONE
T580	FLORENCE/FIRESTONE HEALTH CTR TRLR #1(CLOSED)	8021 COMPTON AVE, LOS ANGELES 90001	320	270	OWNED	270
Y426	PUBLIC LIBRARY-GRAHAM LIBRARY	1900 E FIRESTONE BLVD, LOS ANGELES 90001	5125	4448	OWNED	NONE
6819	PROBATION-FIRESTONE AREA OFFICE	8526 S GRAPE ST, LOS ANGELES 90001	15431	10475	OWNED	NONE
0017	PW ROAD-DIV #141/241 MAINTENANCE YARD OFFICE	2120 E 90TH ST, LOS ANGELES 90002	1000	900	OWNED	NONE
0018	PW ROAD-DIV #141/241 MAINTENANCE YARD OFFICE	2120 E 90TH ST, LOS ANGELES 90002	600	540	OWNED	NONE
X351	CENTURY DETENTION-DETENTION ADMINISTRATION	11705 S ALAMEDA ST, LYNWOOD 90262	20706	17600	FINANCED	NONE
X349	LYNWOOD REGIONAL JUSTICE CENTER COURT(CLOSED)	11701 S ALAMEDA ST, LYNWOOD 90262	46028	37649	FINANCED	37649
4049	SOUTH GATE COURTHOUSE (CLOSED)	8640 CALIFORNIA AVE, SOUTH GATE 90280	18610	10303	OWNED	10303
5934	PUBLIC LIBRARY-LELAND R WEAVER LIBRARY	4035 TWEEDY BLVD, SOUTH GATE 90280	19461	16955	OWNED	NONE
6723	PUBLIC LIBRARY-LYNWOOD LIBRARY	11320 BULLIS RD, LYNWOOD 90262	11722	10396	OWNED	NONE
Y460	DPSS-CUDAHY A/P DISTRICT OFFICE	8130 S ATLANTIC AVE, CUDAHY 90201	30873	24212	OWNED	NONE
A680	PUBLIC LIBRARY-CUDAHY LIBRARY	5218 SANTA ANA ST, CUDAHY 90201	4396	3332	LEASED	NONE
T405	AG COMM/WTS & MEAS-SOUTH GATE R.I.F.A.TRAILER	5525 E IMPERIAL HWY, SOUTH GATE 90280	504	461	OWNED	NONE
F322	PW FLOOD-IMPERIAL YARD OFFICE	5525 E IMPERIAL HWY, SOUTH GATE 90280	1440	1296	PERMIT	NONE
F325	PW FLOOD-IMPERIAL YARD OFFICE	5525 E IMPERIAL HWY, SOUTH GATE 90280	2600	2340	PERMIT	NONE
F326	PW FLOOD-IMPERIAL YARD OFFICE	5525 E IMPERIAL HWY, SOUTH GATE 90280	800	720	PERMIT	NONE
F328	PW FLOOD-IMPERIAL YARD SHOP OFFICE	5525 E IMPERIAL HWY, SOUTH GATE 90280	64	58	PERMIT	NONE
0055	PW ROAD-HOLLYDALE YARD TREE CREW OFFICE	11282 GARFIELD AVE, DOWNEY 90242	1092	983	OWNED	NONE
0051	PW ROAD-MAINTENANCE DISTRICT NO.4 OFFICE	11282 GARFIELD AVE, DOWNEY 90242	3100	2790	OWNED	NONE
6467	AG COMM/WTS MEAS-SOUTH GATE ADMINISTRATION	11012 GARFIELD AVE, SOUTH GATE 90280	21902	15325	OWNED	NONE
X998	LOS PADRINOS JUVENILE COURTHOUSE-1	7281 E QUILL DR, DOWNEY 90242	47231	24470	OWNED	NONE
A755	PUBLIC LIBRARY-ADMINISTRATION HEADQUARTERS	7400 E IMPERIAL HWY, DOWNEY 90242	68000	55733	FINANCED	NONE
4238	ANIMAL CONTROL #1-DOWNEY SHELTER ADMIN BLDG	11258 GARFIELD AVE, DOWNEY 90242	4257	2772	OWNED	NONE
1203	DHS-PUBLIC HEALTH FACILITIES BUILDING 301/302	12838 ERICKSON AVE, DOWNEY 90242	19575	12170	OWNED	NONE
A308	PUBLIC LIBRARY-BELL GARDENS LIBRARY	7110 GARFIELD AVE, BELL GARDENS 90201	5119	4213	PERMIT	NONE
5028	DHS-PUBLIC HEALTH LABORATORIES BUILDING 1100	12730 ERICKSON AVE, DOWNEY 90242	38229	19996	OWNED	19996
D600	DOWNEY COURTHOUSE PUBLIC SAFETY-HEADQUARTERS/HEALTH SVCS BUREAU	7500 E IMPERIAL HWY, DOWNEY 90242	103502	78996	FINANCED	NONE
1100	RANCHO-BONITA HALL (REHAB ENGINEERING)	7601 E IMPERIAL HWY, DOWNEY 90242	15482	9221	OWNED	NONE
1264	RANCHO-BUILDING 700 MODULAR ANNEX	7601 E IMPERIAL HWY, DOWNEY 90242	6612	3426	OWNED	NONE
0138	RANCHO-BUILDING 800 MODULAR ANNEX	7601 E IMPERIAL HWY, DOWNEY 90242	5665	4622	OWNED	NONE
0139	RANCHO-BUILDING 900 ANNEX 'A'	7601 E IMPERIAL HWY, DOWNEY 90242	5700	4470	OWNED	NONE
0140	RANCHO-BUILDING 900 ANNEX 'B'	7601 E IMPERIAL HWY, DOWNEY 90242	5700	4931	OWNED	NONE
0141	RANCHO-BUILDINGS 303/304 KINESIOLOGY (UNUSED)	7601 E IMPERIAL HWY, DOWNEY 90242	5700	5307	OWNED	NONE
1205	RANCHO-BUILDINGS 605/606	7601 E IMPERIAL HWY, DOWNEY 90242	25689	15462	OWNED	15462
2892		7601 E IMPERIAL HWY, DOWNEY 90242	15658	12249	OWNED	NONE

1245	RANCHO-CARDIOLOGIST'S OFFICE (UNUSED)	7601 E IMPERIAL HWY, DOWNEY 90242	1024	915	OWNED	915
1238	RANCHO-CASA CONSUELO (UNUSED)	7601 E IMPERIAL HWY, DOWNEY 90242	41643	22713	OWNED	22713
1196	RANCHO-CLASSROOM BUILDING/ BLDG 208 (UNUSED)	7601 E IMPERIAL HWY, DOWNEY 90242	6245	4427	OWNED	4427
1194	RANCHO-DIETARY OFFICE/BUILDING 206 (UNUSED)	7601 E IMPERIAL HWY, DOWNEY 90242	6245	4231	OWNED	4231
2792	RANCHO-DRUG ROOM (UNUSED)	7601 E IMPERIAL HWY, DOWNEY 90242	215	185	OWNED	185
1121	RANCHO-EMPLOYEE CHILD CARE/ SCHOOL (UNUSED)	7601 E IMPERIAL HWY, DOWNEY 90242	1400	1100	OWNED	1100
1123	RANCHO-EMPLOYEES CHILD CARE CENTER (UNUSED)	7601 E IMPERIAL HWY, DOWNEY 90242	1408	1185	OWNED	1185
1189	RANCHO-GENERAL SERVICES/BLDG 201 (UNUSED)	7601 E IMPERIAL HWY, DOWNEY 90242	7271	4668	OWNED	4668
1239	RANCHO-GERONTOLOGY OFFICE (UNUSED)	7601 E IMPERIAL HWY, DOWNEY 90242	336	240	OWNED	240
1180	RANCHO-HARRIMAN BUILDING 400 - ADMINISTRATION	7601 E IMPERIAL HWY, DOWNEY 90242	85879	39682	OWNED	NONE
1199	RANCHO-HISTOPATHOLOGY LAB/BLDG 311 (UNUSED)	7601 E IMPERIAL HWY, DOWNEY 90242	6381	4647	OWNED	4647
1254	RANCHO-HOSPITAL LANDSCAPE CONTRACTOR'S OFFICE	7601 E IMPERIAL HWY, DOWNEY 90242	2663	2045	OWNED	2045
3385	RANCHO-HOSPITAL OFFICE BLDG 500,501,502 & 503	7601 E IMPERIAL HWY, DOWNEY 90242	88104	63850	FINANCED	NONE
1190	RANCHO-HOUSEKEEPING/ BUILDING 202 (UNUSED)	7601 E IMPERIAL HWY, DOWNEY 90242	6219	4661	OWNED	NONE
1357	RANCHO-NURSERY OFFICE (UNUSED)	7601 E IMPERIAL HWY, DOWNEY 90242	441	320	OWNED	320
1195	RANCHO-NURSING STORAGE/BUILDING 207 (UNUSED)	7601 E IMPERIAL HWY, DOWNEY 90242	6325	4724	OWNED	4724
1260	RANCHO-OFFICE EQUIPMENT WAREHOUSE (CLOSED)	7601 E IMPERIAL HWY, DOWNEY 90242	10120	7816	OWNED	7816
1276	RANCHO-OFFICE/ STORAGE BUILDING	7601 E IMPERIAL HWY, DOWNEY 90242	727	431	OWNED	NONE
1991	RANCHO-PROPERTY WAREHOUSE (UNUSED)	7601 E IMPERIAL HWY, DOWNEY 90242	2121	2000	OWNED	2000
1191	RANCHO-PURCHASING OFFICE/ BLDG 203 (UNUSED)	7601 E IMPERIAL HWY, DOWNEY 90242	6339	4055	OWNED	4055
1193	RANCHO-RECREATION SERVICES/ BLDG 205 (UNUSED)	7601 E IMPERIAL HWY, DOWNEY 90242	6245	4518	OWNED	4518
X238	RANCHO-SUPPORT SERVICES ADMINISTRATION BLDG	7601 E IMPERIAL HWY, DOWNEY 90242	66200	56002	FINANCED	NONE
1267	RANCHO-TRANSPORTATION OFFICE (UNUSED)	7601 E IMPERIAL HWY, DOWNEY 90242	3542	2860	OWNED	2860
1283	RANCHO-TRUNK STORAGE/OFFICE (UNUSED)	7601 E IMPERIAL HWY, DOWNEY 90242	8526	4446	OWNED	4446
5641	PUBLIC LIBRARY-RIVERA LIBRARY	7828 S SERAPIS AVE, PICO RIVERA 90660	6724	5404	OWNED	NONE

**AMENDMENT NO. 2 TO COUNTY LEASE NO. 72674
SHERIFF
4900 EASTERN AVENUE, COMMERCE**

This Amendment No. 2 to Lease No. 72674 ("Amendment") is made and entered into this ____ day of _____, 2006, by and between ARI Commercial Properties, Inc., as agent for the tenants in common owners of the Property, hereinafter referred to as "Lessor", and the COUNTY OF LOS ANGELES, a body politic and corporate, hereinafter referred to as "Lessee".

WHEREAS, Newcrow IV, a California joint venture ("Original Lessor"), predecessor-in-interest to ARI Commercial Properties, Inc., and Lessee entered into that certain County Lease No. 72674 dated April 11, 2000 whereby Original Lessor leased to Lessee approximately 25,140 rentable square feet of office space commonly known as Suites 100, 120, 130 and 200 in the building located at 4900 South Eastern Avenue, Commerce, California ("Original Premises"), for a term of five (5) years ("Initial Term") from April 11, 2000 to April 10, 2005; and

WHEREAS, Commerce Office Holding Co., LLC., a Delaware limited liability company ("Commerce") as successor-in-interest to Original Lessor and Lessee entered into that certain Amendment No. 1 to County Lease No. 72674 dated September 24, 2001, (collectively called the "Lease"), whereby Commerce leased to Lessee an additional 12,293 rentable square feet of office space commonly known as Suite 210 in the building located at 4900 South Eastern Avenue, Commerce, California ("Expansion Premises"), for a term of five (5) years ("Expansion Term") from June 27, 2002 to June 26, 2007; and

WHEREAS, The Initial Term for the Original Premises expired on April 10, 2005 and continues on a quarterly basis; and

WHEREAS, Lessor and Lessee desire to amend the Lease for the purpose of extending the Term of the Lease and making the term for the Original Premises and Expansion Premises coterminous, pursuant to the terms and conditions of the Lease and this Amendment; and

WHEREAS, ARI Commercial Properties, Inc. is the successor-in-interest to Commerce, and, as such, assumes all of the rights and obligations of Commerce and the Original Lessor arising under the Lease, as amended hereby; and

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the rents, covenants and agreements hereinafter contained, Lessor and Lessee hereby covenant and agree to amend Lease No. 72674 as amended as follows:

1. Paragraph 1. DESCRIPTION OF PREMISES, is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

The Lessor, for and in consideration of the performance of the covenants and agreements hereinafter contained to be kept and performed by the Lessee, upon the following terms and conditions, hereby leases to the Lessee, and the Lessee hereby hires and takes of and from the Lessor, those certain premises located at 4900 South Eastern Avenue, Commerce in the County of Los Angeles, State of California, more particularly described as follows:

- Premises A: Consisting of a portion of the first (1st) floor and comprising approximately 25,140 rentable square feet ("Original Premises");
- Premises B: Consisting of a portion of the second (2nd) floor and comprising approximately 12,293 rentable square feet ("Expansion Premises 1");
- Premises C: Consisting of a portion of the second (2nd) floor and comprising approximately 1,503 rentable square feet ("Expansion Premises 2").

Premises A, B, and C shall be collectively known as (the "Premises"); all within the building located at the above address. The Premises shall consist of approximately 38,936 rentable square feet, as further delineated in Exhibit "A" which is attached hereto and incorporated herein. Lessor represents that 38,936 rentable square feet is the maximum amount of square footage available, and that at no time, except by specific amendment to this Lease, will the amount of square footage as contained herein exceed the amount stated above.

2. Paragraph 2. TERM, is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

The term of this Lease shall continue for a period of five (5) years commencing on execution of this Lease Amendment by the County Board of Supervisors and ending five years thereafter ("Lease Term").

3. Paragraph 3. RENT, is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

The Lessee hereby agrees to pay as rent for the Premises the sum of Seventy Seven Thousand Ninety Three and 28/100 Dollars (\$77,093.28) per month, i.e. One and 98/100 Dollars (\$1.98) per rentable square foot per month subject to adjustment as set forth in Paragraph 25 of this Lease, plus Lessee hereby agrees to pay Tenant Improvement Reimbursement Rent in the amount of Nine Thousand Eight Hundred and 40/100 Dollars (\$9,800.40) per month for months One (1) through Fifteen (15) of the Lease Term for Expansion Premises 1. Pursuant to Paragraph 34 herein, Tenant also agrees to pay Tenant Improvement Reimbursement Rent, if any, for Expansion Premises 2.

Rental payments shall be payable in advance by Auditor's General Warrant within fifteen (15) days after the first day of each and every month of the term hereof provided Lessor has caused a claim therefor for each such month to be filed with the Auditor Controller of the County of Los Angeles prior to the first day of each month.

The monthly rental includes three components, Base Rent, Operating Expense Rent and Tenant Improvement Reimbursement Rent. During the initial year of the Lease Term, the Base Rent shall be One and 16/100 Dollars (\$1.16) per rentable square foot per month and the Operating Expense Rent shall be 82/100 Dollars (\$0.82) per rentable square foot per month which amounts to Forty Five Thousand One Hundred Sixty Five and 76/100 Dollars (\$45,165.76) in Base Rent and Thirty One Thousand Nine Hundred Twenty Seven and 52/100 Dollars (\$31,927.52) in Operating Expense Rent. The Operating Expense Rent is subject to adjustment as stipulated in Paragraph 25 herein.

4. Paragraph 5. CANCELLATION, is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

Lessee shall have the right to cancel this Lease anytime after April 1, 2008 by giving Lessor not less than one hundred twenty (120) days prior written notice by Chief Administrative Office letter.

5. Paragraph 10. UTILITIES. The following language shall be added as the third paragraph of Paragraph 10 of the Lease, as amended hereby:

Lessor shall provide HVAC services to the Premises during the normal business hours of Monday through Friday from 8:00 am to 6:00 pm and on Saturday from 8:00 am to 12:00 pm, except on nationally recognized holidays. Lessee shall give Lessor a 24-hour advance notice requesting HVAC services after normal business hours for the First and/or Second floor(s). Lessor shall bill Lessee for after- hours HVAC services at the rate of \$65.00 per hour, per floor and for a minimum of Two (2) hours.

6. Paragraph 15. NOTICES, is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

Notices desired or required to be given by this Lease or by any law now or hereinafter in effect shall be given by enclosing the same in a sealed envelope with postage prepaid, certified or registered mail, return receipt requested, with the United States Postal Service.

Any such notice and the envelope containing the same shall be addressed to the Lessor as follows:

ARI Commercial Properties, Inc.
c/o Transwestern Commercial Services
Attention: Annie Hessen
4900 South Eastern Avenue #201
Commerce, CA 90040

with a copy to:

Argus Realty Investors, LP
Attention: David Ho
3040 Post Oak Road. #880
Houston, TX 77056

or such other place as may hereinafter be designated in writing by the Lessor except that Lessor shall at all times maintain a mailing address in California.

The notices and envelopes containing the same shall be addressed to the Lessee as follows:

Board of Supervisors
Kenneth Hahn Hall of Administration, Room 383
500 West Temple Street
Los Angeles, CA 90012

with a copy to:

Chief Administrative Office
Real Estate Division
Attention: Director of Real Estate
222 South Hill Street, 3rd Floor
Los Angeles, CA 90012

7. Paragraphs 16 and 20. CONDEMNATION AND PARKING SPACES, are hereby amended as follows:

- A. Every reference to "one hundred and eighty (180)" that appears in said Paragraphs 16 and 20 shall be deleted and replaced with the following number inserted in substitution thereof: "one hundred and eighty five (185)".
- B. Every reference to "one hundred and thirty five (135)" that appears in said Paragraphs 16 and 20 shall be deleted and replaced with the following number inserted in substitution thereof: "one hundred and thirty nine (139)".

8. Paragraph 25. RENTAL ADJUSTMENT, is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

- A. **Adjustment Period**
The monthly Operating Expense Rent as set forth in Paragraph 3 shall be subject to increase on April 1, 2007 and every twelfth (12th) month thereafter. The monthly Operating Expense Rent shall be adjusted in accordance with the CPI formula set forth below in Paragraph 25B. The "Base Index" shall be the Index published in April 2006.
- B. **Adjustment Formula**
The method for computing the annual Operating Expense Rent increase, if any shall be by reference to the Consumer Price Index for all Urban Consumers for the Los Angeles-Anaheim-Riverside area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84 = 100), hereinafter referred to as "Index".

The rental adjustment for the monthly Operating Expense Rent shall be calculated by multiplying the initial monthly Operating Expense Rent of Thirty One Thousand Nine Hundred Twenty Seven and 52/100 Dollars (\$31,927.52) by a fraction, the numerator being the Index published in the month prior to the increase date ("New Index"), and the denominator being the Base Index. The rental adjustment formula shall be as follows:

$$\frac{\text{New Index}}{\text{Base Index}} \times (\$31,927.52) = \text{New Monthly Operating Expense Rent}$$

If the Index is changed so that the base year of the Index differs from that used as of the commencement date of the Lease, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term of this Lease, such other governmental index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised. In the event the parties are unable to agree upon a substitute index (if the original index is discontinued without a replacement) then upon demand by either party, the matter shall be submitted to Arbitration in accordance with the provisions of Code of Civil Procedure Section 1280 et seq as they now exist or may later be amended for the purpose of determining an alternate method of computing the rent adjustment based upon the increase in the cost of living.

C. General Provisions:

1. In no event shall this CPI adjustment to the monthly Operating Expense Rent increase the Operating Expense Rent by greater than six percent (6%) or lower the Operating Expense Rent.
2. The new monthly Operating Expense Rent shall be added to the monthly Base Rent and any monthly tenant improvement reimbursement rent to determine the New Total Monthly Rental Amount as follows:

New Operating Expense Rent
+
New Base Rent
+
\$9,800.40 (Tenant Improvement Reimbursement for Expansion Premises 1) (Months One (1) through Fifteen (15)) only
+
Tenant Improvement Reimbursement for Expansion Premises 2, if any.
=
New Total Monthly Rental Amount

9 The following language shall be added to the Lease and inserted as Paragraph 34:

34. EXPANSION PREMISES 2 TENANT IMPROVEMENTS.

A. Tenant Improvement Allowance:

Lessor, as part of the Base Rent, shall provide Lessee with a Base Tenant Improvement Allowance up to a maximum amount of \$4,509 (\$3 per square foot for Expansion Premises 2. Lessee shall construct all tenant improvements for Expansion Premises 2 ("EP2 Tenant Improvements") and receive the Base Tenant Improvement Allowance from Lessor in the form of a rent credit or lump sum cash payment, at Lessor's discretion.

- B. Additional Tenant Improvement Allowance:
In the event the EP2 Tenant Improvements costs exceeds \$4,509 (\$3 per square foot for Expansion Premises 2), Lessee shall receive additional funding from Lessor as a reimbursable Additional Tenant Improvement Allowance up to a maximum amount of \$37,575 (\$25 per square foot for Expansion Premises 2). Lessee agrees to reimburse Lessor for the Additional Tenant Improvement Allowance for EP2 actually expended, and will amortize said cost at the rate of 8.5% per annum over twenty four (24) months.

The Lessee may at anytime during the Lease term pay Lessor in a lump sum for the Additional Tenant Improvement Allowance actually expended. Upon the issuance of a Certificate of Occupancy, or a final sign-off by the City of Commerce, Lessee shall provide to Lessor a detailed breakdown of the total costs of constructing the tenant improvements and execute a Memorandum of Tenant Improvement Costs, which is Exhibit "B", attached hereto and incorporated herein.

- C. EP2 Tenant Improvements Process:
Lessee shall perform and construct all EP2 Tenant Improvements based on its plans and specifications. Lessee's plans and specifications shall be submitted to the Lessor for approval prior to the commencement of any EP2 Tenant Improvements work. Lessor's approval shall not be unreasonably withheld. In the event Lessor does not respond to Lessee's request for plans and specifications approval within 15 calendar days of submission, then it shall be deemed that Lessor has approved the plans and specifications.

10. Notwithstanding anything to the contrary, all other terms and conditions contained in Lease No. 72674 as amended by Amendment No. 1 shall remain in full force and effect.

11. Each of the above signatories for the Lessor personally covenant, warrant and guarantee that each of them, jointly and severally, have the power and authority to execute this Lease upon the terms and conditions stated herein and each agrees to indemnify and hold harmless the Lessee from all damages, costs, and expenses, which result from a breach of this representation.

12. This Amendment contains the entire agreement of the parties with respect to the subject matter contained herein and supersedes any and all prior agreements of Lessor and Lessee with respect to the Premises.

13. All undefined terms when used herein shall have the same respective meanings as are given under the Lease as amended unless expressly provided otherwise in this Amendment.

IN WITNESS WHEREOF, the Lessor has executed this Amendment or caused it to be duly executed, and the County of Los Angeles by order of its Board of Supervisors, has caused this Amendment to be executed on its behalf by the Chair of said Board and attested to by the Clerk thereof the day, month, and year first above written.

ATTEST:

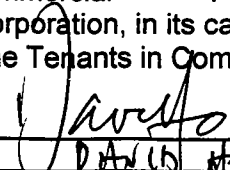
Joanne Sturges

Acting Executive Officer-Clerk
of the Board of Supervisors

By _____

LESSOR:

ARI Commercial Properties, Inc.,
a California Corporation, in its capacity
as Agent for the Tenants in Common Owners

By 
Name DAVID HO
Title SR. Vice President

By _____
Name _____
Title _____

LESSEE:

COUNTY OF LOS ANGELES

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
COUNTY COUNSEL

By _____
Michael D. Antonovich
Mayor, Los Angeles County

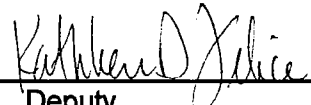
By 
Deputy

EXHIBIT B - MEMORANDUM OF TENANT IMPROVEMENT COST

This Agreement is dated this _____ day of _____, 2006, for reference purposes only, by and between Lessor, ARI Commercial Properties, Inc., and Lessee, County of Los Angeles.

THE PARTIES HERETO HAVE ENTERED INTO LEASE AMENDMENT NO. 2 DATED _____, 2006 (the "Lease") for the leasing by Landlord to Tenant of the building located at 4900 South Eastern Avenue, Commerce ("the Premises"). Lessor and Lessee hereby confirm the following:

The final total cost of the tenant improvements is \$ _____.
This is comprised of:

Budget Amount		Amount Expended
\$4,509.00	Base Tenant Improvement Allowance	
\$37,575.00	Additional Tenant Improvement Allowance	
\$42,084.00	TOTAL	

IN WITNESS WHEREOF, Lessor and Lessee have respectfully signed this Agreement.

Lessor:

ARI Commercial Properties, Inc. a California Corporation,
in its capacity as agent for the tenant in common owners of the property

By David Ho

Name: DAVID HO

Title: SR. Vice President

Lessee:

COUNTY OF LOS ANGELES

By _____

Name: _____

Title: _____